

PUBLIC EMPLOYEES' RETIREMENT BOARD
100 N Park, Rm 201
Helena MT 59620

Board Legislative Committee Minutes
Tuesday, March 17, 2009
1:30 pm

Committee Members: Terry Smith, Chair (via telephone)
John Paull (excused)
Dianna Porter (via telephone)

Staff: Roxanne Minnehan, Melanie Symons, Scott Miller, Kim
Flatow, Ursula Hatfield, Barbara Quinn and Kathy Samson;
MPERA staff.

Other Attendees: No public present

Approval of Legislative Committee Meeting Minutes

The minutes of the open meeting of March 10, 2009 were presented.

Motion: Ms. Dianna Porter moved to approve the minutes of the March 10, 2009 PERB
Legislative Committee Meeting.

Second: Mr. Terry Smith

No public comment.

Vote: 2/0

Public Comment – No public comment.

Executive Director's Report

Board Legislation – Status/Sponsors

HB12 Working Retiree Bill

This bill was heard Monday, March 9 before the House Appropriations Committee. It passed out of committee with a 20/0 vote. It passed out of the House a second time with a second reading vote of 90/8 and a third reading vote of 87/11. It has been assigned to the Senate State Administration Committee.

HB109 General Revisions Bill

This bill was heard Monday, March 16 before the State Administration Committee. After the hearing Sen. Balyeat approached Rep. Hunter with “substantial changes” to the bill. Rep. Hunter stated he did not want to make any changes to the bill.

HB170 Qualification Bill

This bill has been assigned to the Senate State Administrative Committee. A hearing has not been scheduled.

Review of Introduced Bills

House Bills

HB393 – Special contract for city police fund to transfer to MPORS

This bill’s hearing was Wednesday, February 4, before the House State Administration Committee. This bill was tabled in committee on Thursday, March 5.

HB619 – Sudan Divestment Act

This bill was heard Wednesday, March 11 before the House Appropriations Committee. This bill was tabled in committee on Wednesday, March 11.

HB626 – Revise transfer from local police retirement plan to MPORS

This bill passed out of the House and has been referred to Senate State Administration Committee. A hearing has not been scheduled.

HB645 – Implement receipt of and appropriate federal stimulus and recovery funds

Rep. Sesso has assigned this out to all joint committees. Staff approached the General Government Committee in regards to funds for a new computer system. They directed staff to the Long Range Planning Committee they were not hearing public comment. Staff spoke with Rep. Sesso about this; he would not make any promises. Rep. Kasten recommended talking to Dick Clark, Chief Information Officer, ITSD. Mr. Clark checked with the Budget Office. The Budget Office said no, there are too many people asking for assistance. Ms. Minnehan e-mailed David Ewer, Budget Director and Amy Carlson in the Budget Office, but has not received a reply. President Paull spoke with Rep. Sesso, who also recommended speaking with Mr. Clark. Doug Neil, Montana State Firemen’s Association, is speaking with Rep. Sesso, Rep. Hollenbaugh, Rep. Wiseman and House Speaker Bergren.

HB659 (LC2126) – Require examination, recommendations for public pension benefit and plan changes

Rep. Roberts is sponsoring this bill. It has been referred to House Appropriations Committee. Rep. Roberts and Rep. Stahl had a meeting with staff back in January. Rep. Stahl wants to go all DC, while Rep. Roberts wants to study Teachers Retirement System (TRS). The bill wants to include plans administered by the Board, but keeps them separate from TRS. The study directs the committee to review the current trends and best practices, examining various options for changes re: benefit formula multiplier, minimum age and the minimum years of service. The committee is provided \$200,000 to use consultants. MPERA staff is to assist them with the use of PERB's actuary. The last SAVA Committee was assigned a retirement study; however, no legislation resulted from the study. The Committee members are in support of a study if it is useful.

Motion: Ms. Dianna Porter moved to support HB659.

Second: Mr. Terry Smith

No public comment.

Vote: 2/0

Senate Bills

SR2 – Confirm certain Governor's appointees

This bill included PERB members Loren Bough, Darcy Halpin and Dianna Porter. This resolution has been filed with the Secretary of State.

SR9 – Confirm certain Governor's appointees

This bill included PERB member Timm Twardoski. Sen. Shockley requested Mr. Twardoski be isolated in a separate bill. The reason for this is unknown.

Review List of Un-introduced Bills

An updated listing of introduced and un-introduced retirement bill requests was provided.

LC1137 – Eliminate defined benefit pensions

Staff has seen draft of this bill. Rep. Stahl is still promoting a DC only retirement for new hires. The draft is in legal review as of Tuesday, March 17. This is a 105 page bill with a four page table of contents. It is effective July 1, 2009 for implementation July 1, 2010 for all new hires, for all systems to become members of the Defined Contribution Retirement Plan (DCRP). All services are to be contracted out. The bill also increases the PERB Board by one member - a DCRP member, creates an implementation team, and requires seeking counsel from employers. The local government employers would be

compensated for their consulting, as well as reimbursed for administration costs resulting from the transition. Within six months staff is to meet with all employers, members and others to devise a plan to pay off the unfunded actuarial liability in the DB plans, adopt a schedule and calculate the percentage of compensation due each year (for 30 years) and notify those employers to have them pay it.

Board Legislative Committee Meeting Schedule

Weekly meetings are scheduled each Tuesday at 1:30 pm through the legislative session at 100 N Park Ave, Helena, MT 59620.

Meeting adjourned 2:15 pm by Mr. Terry Smith, Chairman.